

Capital Improvements Policy

Mission

To provide comprehensive planning and analysis of the long-range capital needs of Sumter County. This process contributes to the fiscal review and prioritization of such capital projects as facility development (new construction and improvements), infrastructure maintenance, technology, major equipment, and systems installations.

Planning Process

The capital improvements planning process includes development of both a one year budget and a five year plan. Each year County departments prepare and submit a one year budget and a five year Capital Improvements Plan (CIP) to the Budget Officer/County Administrator. Meetings are held between departments and the Budget Officer/County Administrator to review CIP submissions to determine specific funding levels to be recommended to the Sumter County Board of County Commissioners.

The County Administrator presents the recommended projects to the Sumter County Board of County Commissioners in conjunction with the ensuing fiscal year budget discussion. Upon formal adoption of the fiscal year budget, the adopted fiscal year Capital Improvements Budget is established as the initial year of the five year Capital Improvements Plan.

Planning for the “Out” Years

The value of any capital plan can be evaluated in how well it enables the County to anticipate future capital needs. Through planning, the County can develop a realistic funding plan for the most essential projects. A long term perspective is essential to this planning process, yet it is the most challenging aspect of planning.

Capital Project

A Capital Project (CP) is defined as an active or proposed non-recurrent expenditure in one or more specified plan year of an amount \$50,000 or more for a permanent fixed asset (building, land, improvement, or equipment including installation) which has a useful life or extends the useful life of an existing fixed asset ten years or more.

Included within the above definition of a Capital Improvement Project are the following items:

- Construction of new County facilities
- Remodeling or expansion of existing facilities
- Purchase, improvement and development of land
- Street construction, reconstruction, resurfacing or road improvements
- Sidewalks
- Drainage projects
- Vehicles, Heavy Equipment, Computers and Other Machinery and Equipment
- Planning and engineering costs related to specific capital improvements

A capital project includes the purchase, construction, enhancement, or maintenance of physical infrastructure systems or facilities. These include bridges, streets, sidewalks, street lighting, traffic control, parking facilities, public buildings and related equipment, communication systems, major equipment purchases, trees, and recreation facilities. In addition, a capital project may enhance economic development through job creation, business formation, and housing production. Capital Improvement Projects typically meet one or more of the following criteria:

1. Land, land improvements, construction of new or replacement buildings, renovation or restoration of buildings, structures, facilities and infrastructure with a cost of \$50,000 or more and a useful life of at least ten (10) years.
2. Equipment and furnishings purchased as a part of a capital project.
3. Durable equipment with an original unit cost of \$50,000 or more.
4. Replacement equipment (an integral part of a building, structure, or facility) which costs \$50,000 or more.

The Capital Improvements Plan not only includes a list of projects which the County intends to fund over the next five years, but also an explanation of how it will finance these projects. The County's objective is to meet the capital needs of the County in a manner that is most beneficial to the citizens. Projects in the CIP shall be prioritized during the annual review. The following criteria shall be considered in prioritizing projects:

- Does the project eliminate a public hazard?
- Does the project eliminate existing capacity deficits?
- Is the project located to meet the need of projected growth patterns?
- Does the project accommodate new development and redevelopment service demands?
- Is the project consistent with regional or state agency plans?
- Does the project maintain adopted level of services standards?
- Does the project improve efficiency?
- Does the project provide a new service?
- What is the expected useful life?
- What is the effect on operation and maintenance costs for the project?
- What are the available state/federal grants for the project?
- What are the prior commitments for the project?

MAINTENANCE AND REPLACEMENT OF CAPITAL EQUIPMENT

Priority shall be given in budget preparation and enactment for adequate maintenance of capital equipment and facilities, and for their orderly replacement. The County shall strive to allocate approximately 2% of the annual General Fund budget toward the addition and replacement of capital assets.

STREETS AND ROADS CAPITAL IMPROVEMENT PROGRAM

Capital improvements that support surface transportation consist of projects involving roads, streets, street accessories, sidewalks, bridges, and parking structures. The objective of the Streets and Roads Capital Improvement Program is to provide safe, attractive, and efficient public transportation ways and infrastructure systems. Funding for these systems is determined primarily through the use of condition criteria including age, structural adequacy, maintenance problems, construction projects, citizen complaints, and other requests. These criteria are used to assess the condition of the infrastructure system, plan budgets in a cost effective manner, and predict annual preservation effort requirements. Decisions concerning whether a preservation treatment, repaving, or reconstruction is most cost effective for a pavement segment are determined by life-cycle cost analysis. These analyses help to establish priorities for maintenance and replacement for the eligible projects within available funds. These projects are \$50,000 or more and create or extend the useful life of the project at least ten (10) years.

DEFINITIONS

New Pavement - New pavement is a pavement structure placed on a prepared sub-grade. It applies to new highway construction, to a relocated highway, or to the new part of a widened or enhanced highway.

Pavement Reconstruction - Reconstructed pavement or full depth reconstruction results when an existing pavement structure is completely removed to the sub-grade and replaced with a new pavement structure. This type of work is needed when the existing pavement has deteriorated to such a weakened condition that it cannot be salvaged. The type and extent of pavement and base distress will determine when pavement reconstruction is necessary.

Pavement Reclamation - Reclaimed pavement reuses an existing pavement structure through the milling / pulverizing and mixing of the existing pavement and granular sub-base into a gravel base material to be overlaid with new Hot Mix Asphalt (HMA) or Superpave layers.

Pavement Resurfacing - Pavement resurfacing or leveling and resurfacing can be used if the engineer determines that an existing pavement and base is in reasonably good condition. A pavement resurfacing may be in conjunction with roadway widening and/or corrective work to the existing pavement. Pavement resurfacing involves the application of properly timed surface treatments to enhance and/or maintain roadways in good condition. The resurfacing will return the pavement to a high level of serviceability and extend the roads service life.

Pavement resurfacing performed as a result of capital improvements to the road is deemed part of the project and recorded as described in the Preservation/Structural Improvement section of this document.

Pavement resurfacing of 1-1/2 inches or less in thickness that is performed as a stand-alone project and does not enhance the road or add to the roads actual base structure is deemed Preventative Maintenance and recorded as described in the Preventative Maintenance section of this document.

Superpave (Superior PERforming Asphalt PAVement) - Superpave is a high-performance overlay performance-graded binder in an open-graded friction course (OGFC) design. It is a performance-based system of specifications for designing asphalt pavements to meet demanding roadway needs. This performance-based approach offers more durable pavements that are specifically designed with local temperature extremes and traffic loads in the equation. Superpave designs provide longer-lived asphalt pavements that will stand up to local climate and traffic volumes at lower costs.

ACCOUNTING FOR ROAD PROJECTS

Asset Preservation vs. Expansion

Capital projects are classified into two categories: Preservation and Expansion. Preservation refers to capital projects whose major objective is to reconstruct, rehabilitate, or otherwise restore an existing system or facility to full functionality. In contrast, Expansion refers to projects whose primary objective is to construct a new system or to expand an existing system or facility to meet increased demands or to enhance development. The CP focuses primarily on Asset Preservation, a result of investing in necessary maintenance of existing assets combined with limited financial resources to pursue significant enhancement.

Construction / Capacity Improvement is an Expansion Capital Expenditure and involves the building of a new road, street or bridge on a new location, and the addition of lanes to increase the capacity for through traffic. The Sumter County Board of County Commissioners will use an Accounting Object Code in the capital project 6000 categories to reflect these improvements.

Note: Local roads under the jurisdiction of the County constructed by a developer or under impact fees or special assessments must have the cost recorded in the appropriate capital account with an offsetting credit to an appropriate revenue account such as Contributions and Donations from Private Sources, Impact Fees, or Special Assessments.

Preservation / Structural Improvements is a Preservation Capital Expenditure and involves the improving of an existing road or street by correcting the grades, rebuilding existing grade separations, drainage structures, width, alignment, resurfacing, and the hard surfacing of limerock roads. It also includes the initial signage of newly constructed roads or streets, major resigning projects; and the installation, replacement or improvement of traffic signals. The Sumter County Board of County Commissioners will use an Accounting Object Code in the capital project 6000 categories to reflect these improvements.

Preventive Maintenance is an Operating Expense and is a planned strategy of cost-effective treatments to an existing roadway system and its appurtenances that preserve assets by retarding deterioration and maintaining functional condition without significantly increasing structural capacity. Preventative Maintenance is the routine work and materials required to keep the road or street, roadbed, surface and drainage in good repair; prevent damage from water or wind; repair and paint guard rails; provide for safe and convenient travel by keeping signs, signals and pavement marking in good condition; and cleaning the road or street surface. The Sumter County Board of County Commissioners will use the Accounting Object Code 4640 - Road Maintenance Program to reflect these types of improvements.

Preventive maintenance includes, but is not limited to, one or more of the following:

- Pavement crack sealing
- Micro surfacing
- Chip sealing
- Concrete joint resealing
- Concrete joint repair
- Filling shallow pavement cracks
- Patching concrete
- Shoulder resurfacing
- Bituminous overlays of 1-1/2 inches or less in thickness
- Restoration of drainage
- Pollution prevention
- New treatments as they may be developed